



your resource for Affordable Housing



**Lottery Information
Mascuppic Village
Dracut, MA**

Located at 780 Nashua Road, Mascuppic Village is creating a new 36 unit 55+ residential community of attached condominiums, including nine affordable homes for 55+ homebuyers. The homes will be distributed through two lotteries. This application is for the second and final lottery for 5 units. These homes feature two bedrooms, 2 1/2 baths, two car garage and approximately 1,543 square feet of living space. Pets are allowed up to 25 lbs.

Applicants will not be discriminated against on the basis of race, color, religious creed, marital status, military status, disability, national origin, sex, age, ancestry, sexual preference, source of income, presence of children, or any other basis prohibited by local, state or federal law.

The sale price for the homes is \$169,200. These units will be sold by lottery as outlined in the attached package. Please review the enclosed information packet in detail and complete the application and disclosure statement at the rear of the packet.

PLEASE NOTE: All applicants must include a mortgage pre-approval letter, from an institutional lender familiar with affordable deed restrictions, and complete financial documentation with the application. An application will be considered incomplete and will not be included in the lottery if a mortgage pre-approval letter and all documentation is not received on or before the application deadline. FHA and VA loans are not accepted.

A Public Information Meeting will be held 6:00 pm, Tuesday, September 6, 2016 in the 2nd Floor Conference Room at Dracut Town Hall, 62 Arlington Street, to answer specific questions and provide an overview of the process. If you can not attend this meeting you may call MCO Housing Services at 978-456-8388.

Applications may be mailed to MCO Housing Services, P.O. Box 372, Harvard, MA 01451. The application deadline is September 30, 2016. All applications must be postmarked on or before September 30th to be included in the lottery. The lottery will be held 6:00 p.m., Tuesday, October 11, 2016 in the 2nd Floor Conference Room at Dracut Town Hall.

Thank you for your interest in affordable housing at Mascuppic Village in Dracut, MA. We wish you the best of luck. If you have questions and cannot attend the Public Information Meeting, please contact MCO Housing Services at 978-456-8388 or email us at lotteryinfo@mcohousingservices.com. We encourage you to advise other people or organizations that may be interested in this program and make copies of the relevant information as needed.

Sincerely,

Maureen M. O'Hagan

Maureen M. O'Hagan
MCO Housing Services for TGS Development, LLC



Mascuppic Village
780 Nashua Road, Dracut, MA

AFFORDABLE HOMES through the Local Initiative Program (LIP)
Question & Answer

What are the qualifications required for Prospective Buyers?

- Qualify based on the following maximum gross income table, which is adjusted for household size:

| Household Size | 1 | 2 | 3 | 4 |
|----------------------|----------|----------|----------|----------|
| Max Allowable Income | \$46,000 | \$52,600 | \$59,150 | \$65,700 |

LOTTERY APPLICANT QUALIFICATIONS:

1. Household income can not exceed the above maximum allowable gross income limits.
2. At least one household buyer must be 55 year of age or older.
3. Total household assets shall not exceed \$275,000, this includes any equity from a home sale. Full value or a portion of liquid retirement assets are counted. Assets divested at less than market value within the past two years will be counted a full market value in determining eligibility.
4. If applicants are current homeowners, the home must be sold before purchasing the affordable unit.

Complete Income and Asset Guidelines will be provided upon request, if you have an opportunity to purchase or you can view online at www.mcohousingervices.com.

Other program highlights for Lottery applicants:

- Unit must be principal residence of the owners and can not be rented or leased.
- Non-household members are not permitted to be co-signers on the mortgage.
- A mortgage pre-approval letter, from a bank experienced with deed-restricted properties, is required to participate in this lottery.

Are there mortgage guidelines that we need to follow?

Yes, they are:

1. Be a fully amortizing fixed rate mortgage with a down payment of at least 3%, at least half of which must come from the buyer's own funds.
2. Be made by an institutional lender.
3. Have a fixed interest rate through the full term of the mortgage that is a current fair market interest rate.
4. No more than 2 points.
5. Monthly housing (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner association fees) may not exceed 38% of the buyers monthly income for the mortgage.
6. Non-household members shall not be permitted as co-signers of the mortgage.

The mortgage must be from an institutional lender familiar with affordable deed restriction guidelines.

Are there preferences for local residents and those with families?

Yes. Four of the units are for households who meet at least one of the Local Preference criteria. Refer to the application for the local preference guidelines.

Household size preference for the two bedroom homes will be given to households that require two bedrooms, second preference is for households requiring one bedroom.

Unit preferences are based on the following:

- a. There is a least one occupant per bedroom.



- b.** A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- c.** A person described in (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and reliable medical documentation is provided substantiating the adverse impact.
- d.** A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application.
- e.** If the applicant is in the process of a divorce or separation, the applicant must provide proof that the divorce or separation has begun or has been finalized, as set forth in the application.

Persons with disabilities are entitled to request a reasonable accommodation of rules, policies, practices, or services or to request a reasonable modification of the housing, when such accommodations or modifications are necessary to afford the person(s) with disabilities equal opportunity to use and enjoy the housing.

Are there preferences for minorities?

Yes, if the percentage of minority applicants in the Local Preference Pool is less than the percentage of minorities in the Lowell, MA HUD Metro FMR Area, currently 27%, a preliminary lottery will be held, comprised of all the minority applicants who do not qualify for the Local Preference Pool. Minority applicants would be drawn until their percentage in the local pool at least meets the percentage in the Lowell, MA HUD Metro FMR Area. Applicants not selected for the local pool would be in the open pool only.

Are there any restrictions?

YES. Deed restrictions are used to ensure the units are affordable for future buyers. The deed rider requires principal residency, affordability for perpetuity and prior approval from the Town and DHCD for capital improvements and refinancing. If you choose to sell your unit you must notify the town and DHCD in writing. There is a limit on the resale price. The maximum resale price is determined by DCHD using a Resale Price Multiplier, a figure calculated by taking the initial sales price and dividing it by the area median income. **For example**, if the initial price is \$169,200 and the current area median income is \$88,700, the Resale Price Multiplier would be $\$169,200 / \$88,700 = 1.90$.

Upon resale, the Resale Price Multiplier is multiplied by the updated area median income number to determine the maximum resale price. A resale fee may be added to the price.

All selected applicants are urged to review the deed rider with their own attorney. All buyers will be provided with a copy at the time of Purchase and Sale Agreement. Email maureen@mcohousingservices.com for a copy of the deed rider.

How much money do I need to make to afford the unit?

The minimum income required to purchase is based upon an applicant's ability to secure a mortgage. Attached is a "Sample Affordability Analysis" based upon current interest rates and anticipated real estate taxes and related housing expenses.



Lottery Process

Due to the nature of the affordable units' availability it is important for everyone to understand the procedure. Please understand the allowable income guidelines are adjusted based upon your household size. Also be advised that the program and its requirements are subject to changes in local, state or federal regulations.

Lottery Pools

Four 2 bedroom 55+ condominiums are available by lottery at 780 Nashua Road. The lottery has two pools – Local and Open. The units and pools breakdown as follows:

| <u>Pool</u> | <u>Qualifications</u> | <u># of Units</u> |
|--------------------|--|--------------------------|
| Local Pool | Must meet at least one of the Local Preference Criteria as listed on the application. | 4 |
| Open Pool | All applicants – including local pool | 1 |

Household size preference for the two bedroom units will be given households that require two bedrooms; second preference is for households requiring one bedroom.

Unit preferences are based on the following:

- a. There is a least one occupant per bedroom.
- b. A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- c. A person described in (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and reliable medical documentation is provided substantiating the adverse impact.
- d. A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application.
- e. If the applicant is in the process of a divorce or separation, the applicant must provide proof that the divorce or separation has begun or has been finalized, as set forth in the application.

All of the applicants will be pulled and their lottery code announced at the time of the lottery. This order of selection will establish the rankings for the home distribution. There will be two pools of applicants, one for local applicants only and the second for local and non-local applicants (open pool). For example, if there are 60 local applicants and 20 non-local applicants for the lottery, the first local applicant that meets the household size preference criteria would have an opportunity to purchase one home, and the remaining local pool applicants would establish the waiting list for that home. The first applicant for the open pool that meets the household size preference criteria would have the opportunity to purchase one home, and the remaining open pool applicants would establish the waiting list for that home.

Time Frames

The homes are currently under construction with an estimated availability for the first unit 45-60 days after signing the Purchase and Sale Agreement. If you are selected and have the opportunity to purchase the unit you will speak or meet with a representative to review your application to verify all information. The Applicant selected for the home will start working with their lender to secure the necessary mortgage. Please be advised that the final income verification will be done at the time you have an opportunity to purchase a unit. All applicants must be determined income/asset eligible BEFORE they are entered into the lottery. The selected applicants' financial documents are verified again just before closing.

Acceptance of Home

If you choose not to purchase the property, you will go to the bottom of the list and will likely NOT have another opportunity.

Summary

We hope this helps explain the process by which the units will be distributed. It can be a lengthy and sometimes complicated process. We greatly appreciate your participation and wish you the best of luck in the lottery process.



SAMPLE AFFORDABILITY ANALYSIS

| | |
|-----------------------------------|--------------------|
| Home Price | \$ 169,200.00 |
| <i>Interest Rate</i> | 4.5% |
| <i>Down Payment (%)</i> | 5% |
| Down Payment (\$) | \$ 8,460.00 |
| Mortgage Amount | \$ 160,740.00 |
| Monthly Expenses | |
| <i>Principal & Interest</i> | \$ 815.00 |
| <i>Real Estate Taxes</i> | 209.00 |
| <i>Private Mortgage Insurance</i> | 104.00 |
| <i>Hazard Insurance</i> | 56.00 |
| <i>Estimated HOA Fee</i> | 110.00 |
| TOTAL Monthly Expenses | \$ 1,294.00 |

NOTES:

ALL values are estimates and are subject to change.

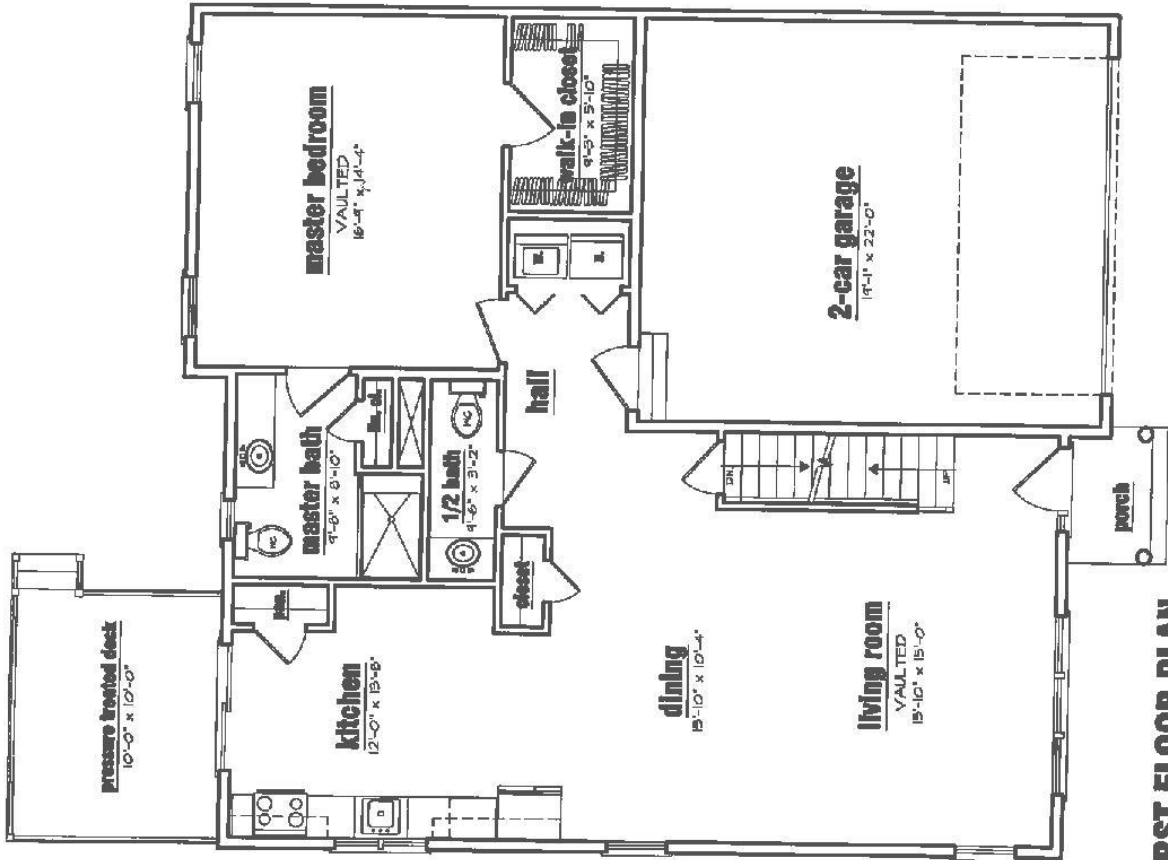
Dracut 2016 Residential Tax Rate = \$14.82 per thousand

Unit Availability and Distribution

| Unit # | Designated Winner | Estimated Availability* |
|---------------|--------------------------|--------------------------------|
| 16 | Local | Immediate availability |
| 18 | Open | TBD |
| 20 | Local | TBD |
| 22 | Local | TBD |
| 23 | Local | TBD |

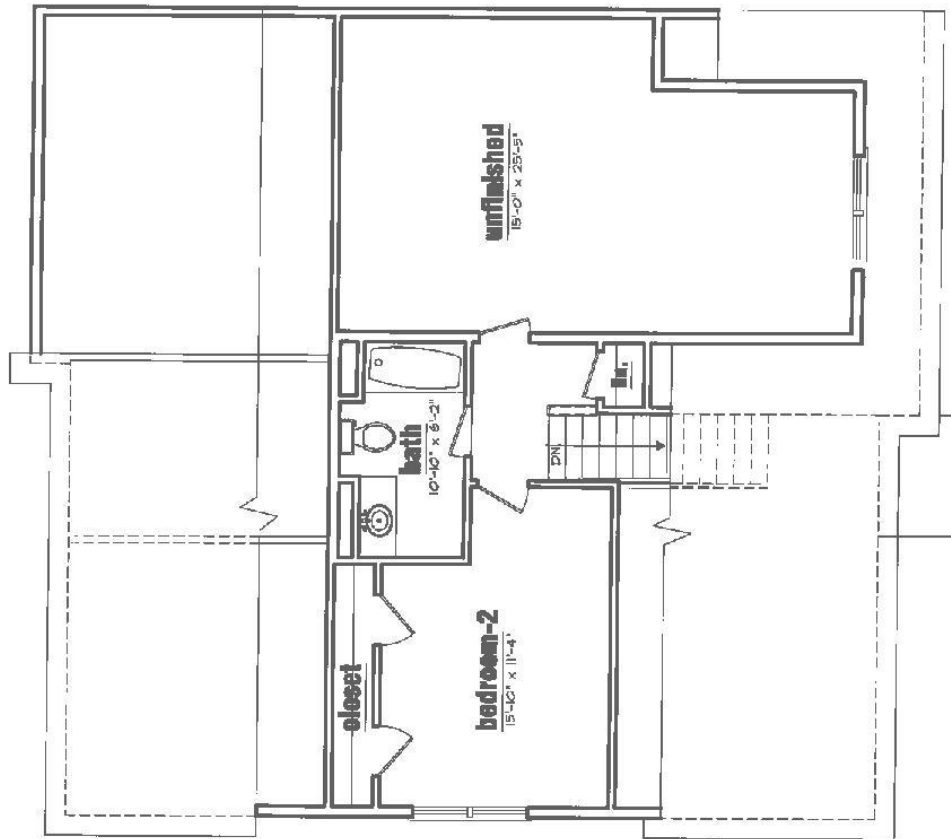






FIRST FLOOR PLAN

NOTE:
ALL ROOM SIZES ARE APPROX.



SECOND FLOOR PLAN

NOTE:
ALL ROOM SIZES ARE APPROX.

Mascuppic Village

LOTTERY APPLICATION

APPLICATION DEADLINE: September 30, 2016

For Office Use Only:

Date Appl. Rcvd: _____

Local: Y / N

Household Size: _____

Lottery Code: _____

PERSONAL INFORMATION:

Date: _____

Name: _____

Address: _____ Town: _____ Zip: _____

Home Tele: _____ Work: _____ CELL: _____

Email: _____

Have you or any member of your household ever owned a home? _____ If so, when did you sell it? _____

You must meet one of the Local Preference Eligibility Criteria established by the Town of Dracut to be in the local pool. Please check the each appropriate category(s) that applies to your household*:

- ☐ Current Dracut Resident
- ☐ Current employee working in the Town of Dracut
- ☐ Current employee working for the Town of Dracut and/or the Dracut School System

*All local applicants will need to provide proof if you have the opportunity to purchase a unit and will be verified by the Town of Dracut.

FINANCIAL WORKSHEET: (Include all Household Income which includes gross wages, retirement income (if drawing on it for income), business income, veterans benefits, alimony/child support, unemployment compensation, social security, pension/disability income, supplement second income and dividend income.)

Borrowers Monthly Base Income (Gross) _____

Other Income _____

Co-Borrowers Monthly Base Income (Gross) _____

Other Income _____

TOTAL MONTHLY INCOME:

Household Assets: (This is a partial list of required assets. A complete list will be provided should you have an opportunity to purchase. Complete all that apply with current account balances)

Checking (avg balance for 6 months) _____

Savings _____

Stocks, Bonds, Treasury Bills, CD or _____

Money Market Accounts and Mutual Funds _____

Individual Retirement, 401(k) and Keogh accounts _____

Retirement or Pension Funds _____

Revocable trusts _____

Equity in rental property or other capital investments _____

Cash value of whole life or universal life insurance policies _____

Downpayment Gift _____

TOTAL ASSETS

(continued on back)



EMPLOYMENT STATUS: (include for all working household members. Attach separate sheet, if necessary.)

Employer: _____
Street Address: _____
Town/State/Zip: _____
Date of Hire (Approximate): _____
Annual Wage - Base: _____
Additional: _____ (Bonus, Commission, Overtime, etc.)

ABOUT YOUR FAMILY: OPTIONAL

You are requested to fill out the following section in order to assist us in fulfilling affirmative action requirements. Please be advised that you should fill this out based upon family members that will be living in the home. Please check the appropriate categories:

| | Applicant | Co-Applicant | (#) of Dependents |
|------------------------------------|-----------|--------------|-------------------|
| Black or African American | _____ | _____ | _____ |
| Asian | _____ | _____ | _____ |
| Hispanic/Latino | _____ | _____ | _____ |
| Native Hawaiian / Pacific Islander | _____ | _____ | _____ |
| Native American or Alaskan Native | _____ | _____ | _____ |
| Other, Not White | _____ | _____ | _____ |

The total household size is _____

Household Composition: Include Applicant(s)

| | | |
|------------|--------------------|-----------|
| Name _____ | Relationship _____ | Age _____ |
| Name _____ | Relationship _____ | Age _____ |
| Name _____ | Relationship _____ | Age _____ |
| Name _____ | Relationship _____ | Age _____ |

ADDITIONAL INFORMATION:

Please be advised that the income to be used should include income for all members of the household that are to be residing in the home. Applicants will be responsible for all closing costs associated with the purchase of a home. The down payment must be a minimum of 3%, ½ of which must come from the buyer's own funds, based upon standard underwriting procedures. Some of this may be in the form of a gift depending on the lending institution.

SIGNATURES:

The undersign warrants and represents that all statements herein are true. Income and assets must be verified and a pre-approval letter from a bank submitted before entry into lottery to have an opportunity to purchase an affordable home at Mascuppic Village in Dracut, MA. I (we) understand if selected all information provided shall be verified for accuracy at the time of bank application prior to closing.

| | |
|-----------------|-------------|
| Signature _____ | Date: _____ |
| Applicant | |
| Signature _____ | Date: _____ |
| Co-Applicant | |

Return with **SIGNED** Affidavit & Disclosure Form, mortgage pre-approval letter and complete financial documentation to:
MCO Housing Services, P.O. Box 372, Harvard, MA 01451



Affidavit & Disclosure Form

I/We understand and agree to the following conditions and guidelines regarding the distribution of the affordable home at Mascuppic Village in Dracut.

1. The annual household income for my family does not exceed the allowable limits as follows:

| Household Size | 1 | 2 | 3 | 4 |
|----------------------|----------|----------|----------|----------|
| Max Allowable Income | \$46,000 | \$52,600 | \$59,150 | \$65,700 |

Income from all family members must be included.

2. I/We have not individually or jointly owned a single family home, town home, condominium or co-op within the past three (3) years. We understand the exceptions that apply.
3. I/We certify that my/our total household assets do not exceed the \$275,000 asset/equity limit and we understand full documentation must be provided with the application to be included in the lottery. I/We understand this asset/equity limit would include equity from the sale of our home, if applicable. I/We understand that assets sold for less than full market value within the past two years will be counted at full market value when determining program eligibility.
4. The household size listed on the application form includes only and all the people that will be living in the residence.
5. I/We certify all data supplied on the application is true and accurate to the best of my/our knowledge and belief under full penalty of perjury. I/We understand that providing false information will result in disqualification from further consideration.
6. I/We understand that by being selected in the lottery does not guarantee that I/we will be able to purchase a home. I/We understand that all application data will be verified and additional financial information will be required, verified and reviewed in detail prior to purchasing a home.
7. I/We understand that it is my/our obligation to secure the necessary mortgage pre-approval for the home purchase through a bank experienced with deed-restricted housing. I/We understand all expenses, including closing costs and down payments, are my responsibility.
8. I/We further authorize MCO Housing Services to verify any and all income, assets and other financial information, to verify any and all household, resident location and workplace information and directs any employer, landlord or financial institution to release any information to MCO Housing Services and consequently the project's monitoring agency, for the purpose of determining income eligibility..
9. I/We understand that if selected I/we will be offered a specific home. I/We will have the option to accept the available home, or to reject the available home. If I/we reject the available home I/we will move to the bottom of the waiting list and will likely not have another opportunity to purchase an affordable home.
10. Program requirements are established by the Dept of Housing and Community Development (DHCD) and the Town of Dracut. I/We agree to be bound by whatever program changes that may be imposed at any time throughout the process. If any program conflicts arise, I/we agree that any determination made by the Monitoring Agent is final.
11. I/We certify that no member of our family has a financial interest in the project.
12. I/We understand there may be differences between the market and affordable units and accept those differences.
13. I/We understand these are deed restricted units and acknowledge that it is recommended we consult an attorney.

I/We have completed an application and have reviewed and understand the process that will be utilized to distribute the available homes at Mascuppic Village. I/We am qualified based upon the program guidelines and agree to comply with applicable regulations.

Applicant

Co-Applicant

Date:

Return with completed and signed application, a mortgage pre-approval letter and all financial documentation to:

MCO Housing Services, P.O. Box 372, Harvard, MA 01451





your resource for Affordable Housing



REQUIRED FINANCIAL DOCUMENTATION

Please provide one copy of all applicable information.

1. Federal Tax Returns –2013, 2014, 2015 (**DO NOT** SEND MASS STATE TAXES)
2. W2 and/or 1099-R Forms: 2013, 2014, 2015
3. Asset Statement(s): **Current** statements including 6 months checking accounts (full statement showing activity/every page front and back), saving accounts (full statement), investment accounts including retirement, certificate of deposit, property, down payment gift amount etc.
4. Five (5) **consecutive** pay stubs ending within one month of unit application for all jobs (check/direct deposit stubs). For unemployment, copies of unemployment checks or DOR verification stating benefits received.
5. Social Security: official statement of monthly amount received for year in review and statement of total amount received for latest tax year.
6. Pension: statements indicating amount received for year in review and statement of total amount received for latest tax year.
7. Child support and alimony: legal document indicating the payment amount.
8. Proof of student status for dependent household members over age of 18 and full-time students.
9. If you intend to utilize a gift from a family member to assist with the down payment, please advise us of the gift amount with the name and telephone number of the person providing the gift.
10. If you owned a home within the past 3 years but it was sold due to a divorce provide copy of divorce or separation papers and proof of the home sale showing equity received, such as HUD Settlement Statement.
11. If you are self-employed you must provide a detailed income and expense spreadsheet for the six months prior to application and 5 months of business checking and saving accounts.

Please bring a copy of the following Mortgage Guidelines to your lender. As a reminder the Guidelines are:

1. Be a fully amortizing fixed rate mortgage with a down payment of at least 3%, at least half of which must come from the buyer's own funds.
2. Be made by an institutional lender.
3. Have a fixed interest rate through the full term of the mortgage that is a current fair market interest rate.
4. No more than 2 points.
5. Monthly housing (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner association fees) may not exceed 38% of the buyers monthly income for the mortgage.
6. Non-household members shall not be permitted as co-signers of the mortgage.

Return all documentation, mortgage pre-approval, application and affidavit and disclosure form to:

MCO Housing Services, P.O. Box 372, Harvard, MA 01451

